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7. **BUILDING RESTRICTION LINE** Building restriction line shall mean and refer to the building restriction line as indicated on The Shoals plat.
8. **COMMITTEE** Committee shall mean and refer to the Architectural Review Committee.
9. **COMMITTEE APPROVAL** Committee approval shall mean and refer to written approval by the committee
10. **COMMON AREA** All property whether unimproved, any interest therein, which from time to time is owned by the Association for the common use and enjoyment of all Owners. The Common Area shall initially consist of the wall and landscape easements, the river access, and the maintenance berm and ponds as shown on the plat of the Property, the roadway, including Structures and water features, and the entranceway landscaped areas including the waterfalls, automobile and pedestrian gate, and related Structures.
11. **DEVELOPER** Developer shall mean and refer to Nicholas-Dishmon Enterprises, and its successors or assigns.
12. **DISTRICT** The District shall refer to the Southwest Florida Water Management District.
13. **ENTRY WALL** The Entry Wall is the front entrance masonry wall located adjacent to the main entrance and extending north to south along Bell Shoals Road.
14. **LOT** Shall refer to a Lot of land shown and identified upon any Plat of the Property now or hereafter subject to this Declaration, which is intended for single family residential use.
15. **MEMBER** Every person or entity who holds Membership in the Association.
16. **OWNER** Owner shall mean and refer to the Owner of record, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, including Owners who have contracted to sell, but excluding those having such interest merely as security for the performance of an obligation.
17. **PROPERTY** Property means the lands described as The Shoals herein, including Lots and Common Area, as described in Plat Book 99, Page 87, of the public records of Hillsborough County, Florida
18. **STRUCTURE** Shall mean any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration, but not limited to any building or part thereof, garage, porch, shed, greenhouse, bathhouse, cage, fence, patio, swimming pool, living quarters, wall, or any other temporary or permanent improvement to such Lot.
19. **SUBDIVISION MAP OR PLAT** The final official plat as recorded and shall include the subdivided real property therein described and such additions thereto as may be brought within the jurisdiction of the Association as hereinafter provided.

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STRUCTURES AND SETBACKS

1. **RESIDENTIAL USE.** All Lots in said Subdivision shall be used for residential purposes only, and no Structure shall be erected, altered, placed, or permitted to remain on any Lot other than one single-family dwelling not to exceed two and one-half stories in height (no more than 35 feet in height).
2. **STRUCTURES AND SETBACKS.** Any Structure (which shall include all covered areas) erected or placed upon a Lot in the Subdivision must be in compliance with all applicable zoning regulations and these Restrictions. No Structure shall be erected or placed on a Lot nearer than twenty-five (25) feet from a front Lot line, nor nearer than ten (10) feet from a side Lot line, nor nearer than twenty-five (25) feet from a rear Lot line, unless approved by county and review board due to hardship created by limited depth of Lot because of road placement or restrictions set forth by government agencies. A swimming pool, its decking and enclosure may be erected or placed up to five (5) feet from a rear Lot line.
3. **DWELLINGS AND MINIMUM AREA.** No one-story dwelling shall have a living area of less than three thousand two hundred (3200) square feet. No two-story dwelling shall have a living area of less than three thousand four hundred (3,400) square feet with no less than two thousand three hundred (2,300) square feet on the first level. All dimensions shall include fully enclosed, heated and air conditioned, living areas only and shall exclude garages, open porches, patios, terraces, lanais and entries. All dwellings shall have at least two and one half (2 1/2) inside baths. A "bath," for the purposes of these Restrictions, shall be deemed a room containing at least one shower or tub, a water closet and wash basin.
4. **GARAGES AND PARKING.** All dwellings must have an enclosed garage for not less than three cars.
5. **ACCESSORY STRUCTURES AND OUTBUILDINGS.** No tent, shack, barn, or utility shed shall, at any time, be erected on a Lot and used temporarily or permanently as a residence. Accessory Structures and outbuildings may be erected in the rear or side yard area, but must conform architecturally with the dwelling, and a plan for such must be approved by the Architectural Review Committee as hereinafter set forth prior to its construction. Such accessory dwellings shall have no less than two hundred (200) square feet. Such accessory Structures or outbuildings shall not be constructed any nearer than ten (10) feet from any side Lot line, or twenty five (25) feet from a rear Lot line, nor any nearer than twenty five (25) feet from the front Lot line. No such accessory Structure or outbuilding may be constructed prior to the construction of the dwelling. No recreation vehicle may be used as a residence or for any other purpose

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on any of the Lots in the Subdivision. Any exceptions to the above standards must be approved in writing by the Architectural Review Committee.

6. **TIME FOR CONSTRUCTION.** If the purchaser of a Lot, his or her heirs, successors or assigns do not commence construction of a dwelling upon the Lot purchased within one (1) year from the date of original purchase from Developer, Developer shall have the right to repurchase the property at the original price paid by the Owner.
  
7. **DEVELOPER'S REVIEW OF PLANS.** Until the last home in the Subdivision has been completed, the Developer reserves the right to review and approve the plans for all construction of buildings, or other improvements on any of the Lots within the Subdivision. Any person desiring to construct such dwelling or improvement must submit to the Developer, prior to beginning the contemplated construction, a complete set of plans and specifications, which will be returned with either approval or disapproval of such plans, in the latter, case, noting the reasons for disapproval, on or before the tenth (10<sup>th</sup>) day after actual receipt of said copies by the Developer. All such plans must be accompanied by a complete site plan which shows the location of the home, sidewalks, and drives on the Lot, as well as the elevation of each side of the Structure proposed for construction. In the event the Developer rejects the plans as submitted, the Developer shall inform the Owner submitting the plans in writing, stating with reasonable detail, the reasons for disapproval and the Developer's recommendations to remedy the same, if a satisfactory remedy is possible. In the event the Developer fails to approve or disapprove such design and location within ten (10) days after said plan and specifications have been received, then approval shall be deemed granted and this article will be deemed to have been fully complied with, provided the size, design, materials and the location of the residence are not in violation of any other provisions of the Covenants and Restrictions. The Developer reserves the right to stop any construction which violates any of these Restrictions.

### ARTICLE III

#### MAINTENANCE

1. **BOUNDARY WALL** The Property Owner's' Association shall maintain and repair at its expense the exterior, street facing surface of such Boundary Wall. All other maintenance, repair and replacement of the Boundary Wall shall be the obligation of, and shall be undertaken by and at the expense of, the respective Owners upon whose Lots such Boundary Wall is constructed, but only as to such portion of the Boundary Wall as bounds such Lot. The obligation of such Owners shall not be affected by the fact that the Boundary Wall may be only partially on the Lot, and partially on the right of way. No Owner shall be permitted to paint, decorate, change or alter, nor add or affix any object or thing to the exterior,

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street facing surface of the Boundary Wall. Similarly, no Owner shall be permitted to add, attach or fix any object or thing, or in any way damage or impair the interior surface top of such Boundary Wall. The only Boundary Wall modifications that will be allowed will be those requested in writing with a detailed drawing and approved in writing by the Association. If any Owner shall fail to undertake any maintenance, repair, or replacement as required by the Paragraph, such may be done by the Property Owner's Association, at the Owner's expense, upon thirty (30) days written notice. If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of the aforesaid notice of violation, the Architectural Committee and the Association shall have, in addition to all other rights set forth in this Declaration, at law of inequity, a Right of Abatement as provided in Article VI Section 6.0.

That portion of the Boundary Wall defined as the Entry Wall shall be exclusively maintained by the Association. No modification, attachment, painting, decoration, change, or any alteration of the Entry Wall shall be permitted by any Owner. Furthermore, the fencing, automobile and pedestrian gates and related Structures at the main entrance shall also be exclusively maintained by the Association in conjunction with the Entry Wall, and no Owner may modify, attach to, paint, decorate, or change or alter in any way.

2. **DAMAGED STRUCTURES** The erection of a new dwelling or Structure, the repair of any dwellings or Structure damaged by fire or otherwise, on any Lot shall be completed without unreasonable delay, and should the Owner leave such dwelling or Structure in an incomplete condition for a period of more than six (6) months, the Association is authorized and empowered either to tear down and clear from the premises said dwelling or Structure which is incomplete or in need of repair, or to complete or repair it in a manner deemed proper in the discretion of the Association and, in either event the expense so incurred by the Association shall become a lien against said Lot.
  
3. **EASEMENTS** No Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities located in any easement, or which may change the direction of flow, or obstruct or retard the flow of water through drainage channels in such easement areas. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. All utility and other service installations shall be installed and maintained underground. Further, the Association shall retain a perpetual easement for maintenance by the Association of an Entry Wall and/or Boundary Wall and the landscaped entranceway and landscaping immediately adjacent to the rear of the Entry Wall. The Association retains a perpetual easement permitting access to all support equipment, including electrical, telephone, pumps, lighting, irrigation equipment, propane gas facilities (if applicable), cable television equip-

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ment (if appropriate) provided in support of Common Area or landscape design elements, or security systems provided by the Developer.

4. **GARBAGE AND REFUSE DISPOSAL** No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept except in sanitary containers designed for that purpose. All garbage and trash cans and containers shall be kept in the garage or in the rear yard, screened to conceal them from view of neighboring Lots, except on the days of collection. If such litter or other materials are found on any Lot, the same will be removed by the Owner of the Lot, at the Owner's expense, upon written request of the Architectural Committee or the Association. Trash for pickup may be put out no more than 24 hours prior to pickup, and trash containers must be stored not more than 24 hours after pickup.

5. **GATE, LIGHTING, AND SECURITY SYSTEMS** The Property has an electric gate at the entranceway. The Association retains the responsibility for the operating costs and repairs of the gate, which will be included in Assessments. The Association will provide access through the gates to authorized Owners and Members.

Street lighting has been provided by the Developer to enhance the beauty and nighttime visibility within the Property. Such lighting may be of electric or gas ("propane") design. The Association retains a perpetual easement for the maintenance of the lighting within the Common Area and utility easements. Such maintenance may include propane supply facilities located within the Common Area. The Association is responsible for operating costs and maintenance of the lighting systems which will be included in the Assessments. In the event that gas ("propane") service is made available to the individual Lots for the private use of the Owner, such useage will be the responsibility of the Owner, the cost associated with the consumption of gas will be billed to the Owner directly through the supplier or by the Association or its agents, as appropriate in a manner to be determined.

The Developer may at his option provide and install a video security system at the entranceway of The Shoals. Such video system is provided as a means of enhancing the security of the Shoals. The Association has the responsibility to operate and maintain such system, the costs of which are to be included in the Assessments.

6. **MAINTENANCE OF LOTS** Each Owner shall keep and maintain each Lot and Structure owned by him, including: all landscaping located thereon, in good condition and repair, including, but not limited to (a) the repairing and painting (or other appropriate external care) of all Structures; (b) the seeding, watering, and mowing of all lawns; and (c) the pruning and trimming of all trees, hedges, and shrubbery so that the same does not obstruct the view by motorists, pedestrians or street traffic. If in the opinion of the Architectural Committee any Owner shall fail to

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perform the duties imposed by this Section, the Architectural Committee shall notify the Association. If the Association Board shall agree, then the Board shall give written notice by certified mail to the Owner to remedy the condition in question, setting forth in reasonable detail the nature of the condition and the specific action or actions needed to be taken to remedy such condition. If the Owner shall fail to take reasonable steps to remedy the condition within thirty (30) days after the mailing of the aforesaid notice of violation, the Architectural Committee and the Association shall have, in addition to all other rights set forth in this Declaration, at law of inequity, a Right of Abatement as provided in Article VI Section 6.0.

7. **OPERATION, MAINTENANCE AND MONITERING OF SURFACE WATER MANAGEMENT SYSTEM FACILITIES**

- a. The Association shall maintain, as part of the common elements, drainage Structures for the properties and comply with conditions of the permits from the Southwest Florida Water Management District for the drainage system. The Association shall, when requested by Developer, accept transfer of any District permit for the Properties (now known as The Shoals). The conditions may include monitoring and record keeping schedules, and maintenance of drainage systems and mitigation areas.
- b. Water quality data for the water discharged from the permittee's property or into the surface waters of the state shall be submitted to the District as required. Parameters to be monitored may include those listed in Chapter 17-3 of the Florida Administrative Code. Analyses shall be performed according to procedures outlined in the current edition of Standard Methods for the Examination of Water and Wastewater by American Public Health Association of Methods for Chemical Analyses of Water and Wastes by the U.S. Environmental Protection Agency. If water quality data are required, the permittee shall provide data as required on volume of water discharged, including total volume discharged during the days of sampling and total monthly discharge from the Property or into surface waters of the State.
- c. The Association agrees to operate and maintain the system, including mitigation areas, and shall maintain sufficient Ownership so that it has control over all water management facilities authorized.
- d. The Association shall hold and save the District harmless from any and all damages, claims, or liabilities which may arise by reason of the operation, maintenance or use of any facility authorized by the permit.
- e. The Association shall at all times properly operate and maintain the systems of treatment and control (and related appurtenances) that are installed or used to achieve compliance with conditions of the permit, as required by the District. This provision includes the operation of backup or auxiliary facilities or similar systems when necessary to achieve compliance with the conditions of the permit and when required by District rules.

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- f. The Association, specifically agrees to allow authorized District personnel, upon presentation of credentials or other documents as may be required by law, access to the premises, at reasonable times, where the permitted activity is located or conducted; for the purposes of inspection and testing to determine compliance with this permit and District regulations, such as:
1. having access to and copying any records that must be kept under the conditions of the permit
  2. inspecting the facility, equipment, practices, or operations regulated or required under the permit
  3. sampling or monitoring any substances or parameters at any location reasonable necessary to assure compliance with the permit or District rules
  4. gathering of data and information.
- g. It shall be the responsibility of each property Owner within the subdivision at the time of construction of a building, residence, or Structure, to comply with the construction plans for the surface water management system pursuant to Chapter 40D-4, Florida Water Management District.
- h. It is the Lot Owner's responsibility not to remove native vegetation that becomes established within the wet detention ponds abutting their property. Removal includes dredging, the application of herbicide, and cutting. Lot Owners should address any question regarding authorized activities within the wet detention pond to the Southwest Florida Water Management District, Tampa Permitting Department.
- i. No Owner of property within the subdivision may construct any building, residence, or Structure, or undertake or perform any activity in the wetlands, buffer areas, and upland conservation areas described in the approved permit and recorded plat of the subdivision, unless prior approval is received from the Southwest Florida Water Management District pursuant to Chapter 40D-4, Florida Administrative Code.
- j. No construction activities may be conducted relative to any portion of the Surface Water Management System facilities. Prohibited activities include, but are not limited to: digging or excavating; depositing fill, debris, or any other material or item; construction to modify the Surface Water Management System facilities. No vegetation in a wetland mitigation area or wet detention pond shall be removed, cut, trimmed or sprayed with herbicide without specific written approval from the Southwest Florida Water Management District. Construction and maintenance activities which are consistent with the design and permit conditions approved by the Southwest Florida Water Management District in the Environmental Resource permit may be conducted without specific approval from the District.
- k. The District has the right to take enforcement measures, including a civil action for injunction and/or penalties, against the Association to correct any outstanding problems with the surface water management system facilities.



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- i. Any amendment of this Declaration relating to the provisions of this Section 2 applicable to the District and its Regulations shall have the prior written approval of the District.
- m. If the Association ceases to exist, all of the Owners shall be jointly and severally responsible for operation and maintenance of the surface water management system facilities in accordance with the requirements of the Environmental Resource Permit, unless and until an alternate entity assumes responsibility.
- n. For projects which have on-site wetland mitigation which require ongoing monitoring and maintenance, the Association shall allocate sufficient funds in its budget for monitoring and maintenance of the wetland mitigation area(s) each year until the District determines that the area(s) is successful in accordance with the Environmental Resource Permit.

8. **UPLAND CONSERVATION AREA.**

- a. The limits of the Upland Conservation Area are depicted on the subdivision final plat.
- b. The Upland Conservation Area provides a natural environment for Significant Upland Wildlife Habitat. The Upland Conservation Area shall be retained in a natural state pursuant to the Hillsborough County Land Development Code, Natural Resources Regulations, as amended. No filling, excavating, removal of vegetation or construction of permanent Structures or other impervious surfaces shall occur within the Conservation Area unless specifically conforming to a wildlife management plan as approved by Hillsborough County Planning and Growth Management Department.
- c. The Association shall maintain an approved Wildlife Habitat Management Plan and shall provide a consolidated management effort for the prescribed components of the plan.
- d. Each Owner shall have the responsibility to comply with the prescribed components of the Wildlife Habitat Management Plan for any portion of the Upland Conservation Area occurring within the Owner's Lot.

**ARTICLE IV.**

**ARCHITECTURAL STANDARDS.**

- 1. **CREATION AND COMPOSITION** As stated under definitions, until all Lots are fully developed, the Architectural Review Committee shall mean the Developer. At such time as all Lots have been fully developed, the Developer shall notify the Association, and thereupon, the Developer's rights and obligations as the Architectural Review Committee shall terminate. Thereafter, the Association shall have the right, power, authority, and obligation to establish a successor Architectural Review Committee as a committee of the Association in accordance with the Association

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Documents and prescribe rules and regulations pursuant to which such Committee shall act.

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2. **MINIMUM ARCHITECTURAL & ESTHETIC STANDARDS.** Without limitation, the following are some minimum esthetic and architectural standards:

- a. No two adjacent dwellings in this Subdivision shall have the same exterior elevation. Identical or reversed front exteriors are permitted if the dwellings are not on immediately adjacent Lots, or cannot be viewed at the same time together.
- b. Exterior walls or finishes of all dwellings must be authentic brick, natural stone, synthetic man-made stone, cypress, redwood, cedar or stucco, or an approved combination of these materials; however, no stucco brick shall be permitted. All exterior colors must be approved by the Architectural Review Committee.
- c. All mailboxes shall be of a design specified by the Developer.
- d. No shingle roofs may be used unless they are classed as an architectural, 30 year fungus resistant, dimensional shingle. Metal roofs may not be used unless the type and design are approved in writing, by the Developer. In no event shall any dwelling contain a flat roof, except as specifically excepted elsewhere herein.
- e. No projections of any type, excluding those items covered in Article 5, number 2, shall be placed or permitted to remain above the roof of the building with the exception of one or more chimneys or vent stacks. Vent stacks should be located on the building so as not to be visible from the front of the building. Additionally, the main roof of the dwelling shall have a pitch of not less than five (5) feet of rise to twelve (12) feet of lateral distance, or 5/12, unless an alternate therefore is submitted in writing and approved by the Developer.
- f. Before a dwelling is completed and occupied, the Lot on which the dwelling is located shall be fully sodded with St. Augustine or better where designated in the landscape design. In addition, the Lot shall be landscaped with plant material, excluding grading and sod, having a value at retail, installed, of a least 2% of the contract sales price of the dwelling, including the cost of the Lot.
- g. The Owner of each Lot shall be required to properly maintain the exterior of his dwelling, landscaping and road right of way in front of his Lot so as to preserve a pleasing appearance and to preserve the continuity of appearance within the Subdivision. If any Owner fails to so maintain his dwelling and/or landscaping, any other Owner may enforce these restrictions as set forth below. The Association will notify the Owner by certified mail of any violation. Should the Lot Owner fail to comply after more than ten (10) days notification, the Association reserves the right to assess a penalty as outlined in Florida Statute 617.305, Sub 205, which shall become a lien against the property.

3. **FENCES, WALLS AND HEDGES** All construction of fences must be approved by the Architectural Review Committee. All fences must be of

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the "wrought iron" style, with height limited to 60 inches above grade. Materials may be iron or aluminum, subject to approval. In no instance may any fence be located nearer to the street in the Subdivision than the rear corner of the dwelling unless this requirement is waived in writing by the Architectural Review Committee.

4. **DRIVEWAYS, WALKWAYS AND SODDING.** Each Lot Owner shall install a concrete driveway with a minimum of 2,500 p.s.i. concrete or each Lot Owner shall install such driveway in accordance with requirements of Hillsborough County, whichever shall be the stricter requirement. Said driveway and adjacent walkways will include brick pave accents to a minimum of 500 square ft. Installation of said driveways shall be completed concurrently with the completion of the residence. Each Lot, prior to occupancy of dwelling by Owner, shall be completely sodded from street curb to side and rear Lot lines.
  
5. **WATER.** No Lot shall have any lake, or other body of water or any potable source of water other than the public water supply. This shall not exclude or prohibit swimming pools. All Lots shall have installed as part of any residence an automatic underground sprinkler system.

#### ARTICLE V.

#### USE RESTRICTIONS

1. **ANIMALS.** No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that cats, dogs and other household pets may be kept provided they are not kept, bred or maintained for any commercial purpose or become a nuisance to the neighborhood. Such household pets shall not be permitted outside of a dwelling unless under control of its Owner, or unless confined in a fenced rear yard area. No more than a total of two (2) household pets may be kept on any Lot in the Subdivision. Owners of a cat or dog shall be required to remove immediately all forms of excrement of such pets from the Property. No pet will be allowed which creates excessive noise, emits noxious odors, or other disturbances of any kind regardless of the time of day or night. Any Owner of a pet allowed hereunder who is the subject of three (3) justifiable complaints of violation hereunder shall permanently remove the pet from the Owner's Residential Unit upon notice of the same from the Board of Directors. Nothing herein shall be deemed to prohibit the use and Ownership of a dog trained to assist a disabled person.
  
2. **ANTENNAS** Antennas including direct-to-home satellite dishes are permitted in accordance with and subject to the specifications included in Section 207 of the Telecommunications Act of 1996, Rule 47.C.F.R Section 1.4000. Such specifications define a "dish" antenna as no larger than one meter (39.7") in diameter; a wireless cable antenna as no larger than one meter or less in diameter or diagonal measurement ( and that is designed to receive video programming services via MMDS(wireless ca-

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ble) or to receive or transmit fixed wireless signals other than via satellite.; and, a video antenna that is designed for the reception of local television broadcasts. All such antenna must be placed in the rear of the house or at such location as to be minimally visible from the front of the property or adjacent property so long as such placement does result in a) substantially degraded reception, b) or significantly increased cost to the property Owner.

No outside television or radio pole or tower shall be erected on the Property or Lot or Structure for purposes other than as described above, and in accordance with the above cited regulations. Satellite dish antennas larger than that described above may be installed in the rear area of the property provided that the appropriate landscape screening is provided such that the dish is not visible from the street or from any adjacent property, and only with prior approval of the Association or its designate Architectural Committee.

3. **BASKETBALL OR OTHER RECREATIONAL EQUIPMENT** No basketball hoops, backboards or similar sports equipment, and no clothes-lines shall be erected or installed on the exterior portion of the dwelling without written approval of the Association. All portable sports equipment must be stored out of view when not actively in use.
4. **CLEARING AND LANDSCAPING** Any clearing on a Lot in excess of that required for the dwelling footprint and access thereto must be approved by the Developer and should be kept to a minimum. Landscaping with Floridascape plant species is recommended, with minimum areas of sod.
5. **COMMERCIAL USES AND NUISANCES.** No trade, business, professional or other type of commercial activity shall be carried on upon any Lot, except that real estate brokers, Owners, and their agents may show dwellings in the Subdivision for sale or lease. Nor shall anything be done thereon which may become a nuisance or unreasonable annoyance to the neighborhood.
6. **CONTAINERS AND EQUIPMENT.** All garbage or trash containers, oil tanks, bottled gas tanks, soft water tanks and similar Structures or installations, including air conditioning equipment shall be placed in walled-in areas, placed under the surface of the ground or be completely screened with landscaping or proper fencing so that they are not visible from any street or adjacent Lot in the Subdivision.
7. **FLAGPOLES.** Decorative or seasonal flags may be flown from a pole attached to the front of the home; however, the height must not exceed the eave of the home. Said flag must be maintained in appropriate condition. Permanent flagpoles for the purpose of flying the American flag only must be approved by the Architectural Review Committee.

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8. **POOLS.** Only in-ground pools shall be approved for construction on any Lot in the Subdivision. Such pools must be located in the rear of the building unless a different location is authorized in writing by the Developer. Swimming pools must conform to the setbacks and building requirements as shown on the Plat for such Structures, and as required by applicable law.
9. **SIGNS.** No signs shall be displayed, with the exception of a maximum of one "For Sale" sign in the front yard of each Lot, not exceeding 2' x 4' in size with the maximum height of the sign being no more than 4' above ground.
10. **TRAILERS, TRUCKS, BOATS, BOAT TRAILERS** No house trailers or mobile homes, school buses, trucks or commercial vehicles over one (1) ton capacity, recreational vehicles, boats or boat trailers shall be kept, stored or parked overnight either on any street or any Lot, except within enclosed garages. Notwithstanding the foregoing, passenger automobiles without commercial signs or insignia, may be parked in driveways if the number of vehicles owned by the Owner exceeds the capacity of the garage. The foregoing will not be interpreted, construed, or applied to prevent the temporary nonrecurrent parking of any vehicle, boat, or trailer for a period not to exceed forty-eight (48) hours upon any Lot. There shall be no major or extended repair or overhaul performed on any vehicle on the Lots. If any vehicle, boat, or trailer is in violation of this provision, the Association shall have the immediate right to have the offending vehicle, boat, or trailer towed at the expense of the Owner thereof. No vehicles may be parked on the street overnight
11. **TREES.** In connection with the development of any Lot for residential purposes or the construction of improvements thereon, reasonable care shall be used to preserve and retain as many trees as is reasonably possible. Street trees must be kept clear of growth in order to create a clearance for pedestrian and vehicular traffic. This is referred to as "lifting".
12. **WINDOW AIR CONDITIONERS** No window air conditioning units shall be installed without prior written approval of the Architectural Committee.

## ARTICLE VI.

### **THE SHOALS PROPERTY OWNERS' ASSOCIATION**

1. **PURPOSE.** The Association shall be formed for the purpose of maintaining the Common Area, and for other such purposes as set forth herein and in the Articles of Incorporation of The Shoals Property Owner's Association. The Developer shall retain all powers and enforce these Covenants until such time that the Developer conveys such responsibili-

ties to the Association as described in Article VI. Voting Rights as set forth in the Articles of Incorporation

2. **RESPONSIBILITIES OF THE ASSOCIATION**

a. The Association shall be responsible for the Common Area, included but not limited to its operation, management, care, restoration, insurance, renovation, alteration, reconstruction, repair, maintenance, rebuilding, replacement, improvement, taxes and utilities. The Association also has the power to operate and maintain common property, specifically the surface water management system as permitted by the Southwest Florida Water Management District.

Any private streets, street lights, sidewalks, drainage and any other improvements that have been constructed, created, or installed by the Developer as part of subdivision improvements, shall be maintained by the Association in the same condition and appearance as constructed or created.

b. The Association has the responsibility and is empowered to enforce these Covenants and Restrictions and is empowered to assess and collect all assessments, including annual assessments and special assessments as approved by the Board of Directors and in accordance with these Covenants and related Association Documents.

c. The Association shall exercise such powers and authority as described in Article IV. Purposes and Powers, of the Articles of Incorporation

3. **MEMBERSHIP.** Any person or entity who is the Owner of record of the fee interest in any Lot and entitled to the beneficial enjoyment thereof shall be a Member of the Shoals Property Owner's Association. Ownership of the Lot shall be sole qualification for Membership and Membership shall not run to persons who hold an interest in a Lot merely as security for performance of an obligation. When any Lot is owned of record in joint or multiple tenancy, the multiple Owners shall designate a representative to be the Member entitled to vote. If no representative is designated by the Owners, the Board of Directors of the Association may select one of the Owners of record or person exercising beneficial use of the Lot to be the representative for the Lot until one is designated by the Owners.

All Lot Owners automatically become Members of the Property Owner's Association, and are subject to the Articles of Incorporation, By-Laws and rules and regulations thereof as will be in effect from time to time. Assessments, dues and charges are levied by the Property Owner's Association, payment of which is secured by a lien on the Owner's Lot. Should any Lot Owner fail to pay such charges, the Association reserves the right to assess a penalty as outlined in Florida Statutes. Each Lot Owner, by the acceptance of a deed or otherwise acquiring title to a Lot thereby does agree to abide by the provisions of the Articles of Incorporation.

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ration, By-Laws, and rules and regulations of the Association in effect from time to time and to pay assessments, dues, and charges levied by the Property Owner's Association, including the payment of such assessments, dues and charges as shall be levied thereby.

4. **ASSESSMENTS.** The Assessments levied by the Association shall be used exclusively for the purpose of carrying out the rights and obligations of the Association as defined in the Declaration, including, but not limited to, the Responsibilities of the Association, Article VI, Section 2 above; the enforcement of the Declaration and Association Documents; the enforcement of the standards of the Architectural Committee; the payment of the operating costs and expenses of the Association; the payment of all principal and interest when due and all debts owed by the Association
- a. **Annual Assessments.** The annual assessment shall be used exclusively to promote the recreation, safety, health and common benefit and enjoyment of the Owners and occupants of residences and to maintain the Common Area, including but not limited to utilities, services, repairs, maintenance, taxes, operating expenses and those other responsibilities outlined herein; all other general activities and expense of the Association, including the enforcement of this Declaration. The annual assessment commencing January 1, 2004 shall not exceed Two thousand Four Hundred Dollars (\$2400) yearly per Lot, payable annually as the Board directs.
- b. **Maximum Annual Assessment.** At least thirty (30) days before the expiration of each year, the Board will prepare and distribute to each Owner a proposed budget for the Association's operations during the next ensuing year. If such budget requires an annual assessment of not more than one hundred fifteen (115%) of the Annual Assessment then in effect, the assessment so proposed will take effect at the commencement of the next year without further notice to any Owner. If a proposed budget exceeds 115% of the then current budget, the Board must call a Membership meeting. A majority vote of those Members present and authorized to vote is sufficient to approve the proposed assessment and it will take effect without further notice to any Member. If the proposed assessment is not approved, the majority vote of the Members present and authorized to vote will determine the assessment for the next year, in any amount not to exceed the proposed assessment in the notice of meeting. In the absence of any valid action by the Board or the Membership to the contrary prior to the start of any fiscal year, the Annual Assessment then in effect will automatically continue to the ensuing fiscal year. The Board may increase the annual assessment at any time during the year to provide for any increase in utilities for the common areas, or cable television charges, if applicable.
- c. **Special Assessments for Capital Improvements.** In addition to the Annual Assessments authorized above, the Association may levy in any assessment year, a Special Assessment applicable to that year

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only, for the purpose of defraying in whole or part, the cost of construction, reconstruction, repair or replacement of a capital improvement upon the Common Area. Such Special Assessment authorization requires the assent of two-thirds (2/3) of the Members authorized to vote, as defined herein, who are voting at a meeting duly called for this purpose. Any such assessment may be payable in one or more installments, with or without interest, as determined at the meeting or by the Board as specified in the By-Laws.

- d. Specific Assessments. Any and all accrued liquidated indebtedness of any Owner to the Association arising under any provision of this Declaration, or by contract, express or implied, or because of any act or omission of any Owner or person for whose conduct such Owner is legally responsible, also may be assessed by the Association against such Owner's Lot after such Owner fails to pay such indebtedness within thirty (30) days after written demand or notification. This shall include fines levied pursuant to Florida Statutes, for the actions of any Owner, or guest, invitee, or family Member of such Owner,
- e. Accumulation of Funds Permitted. The Association shall not be obligated to spend in any calendar year all sums collected in such year by way of Annual Assessments, and may carry forward as surplus any balances remaining from year to year as the Board may deem desirable for the greater financial security of the Association in support of its purpose.
- f. Assessment Lien. All sums assessed to any Lot, together with any interest and all costs and expenses of collection (including reasonable attorney's fees and paralegal fees, plus any applicable sales or use taxes, and any court costs for trial or appellate proceedings), are secured by a continuing lien on such Lot in favor of the Association. Such lien is subject and inferior to the lien for all sums secured by any first mortgage encumbering such Lot; but all other persons acquiring liens on any Lot, after this Declaration is recorded, are deemed to consent that such liens are inferior to the lien established by this Declaration whether or not such consent is set forth in the instrument creating such lien. The recording of the Declaration constitutes constructive notice to all subsequent purchasers and creditors, or either, of the existence of the Association's lien and its priority. The Association, from time to time, may, but is not required to record a notice of lien against any Lot to further evidence the lien established by this Declaration.
- g. Nonpayment of Assessments: Association Remedies. Any Assessment not paid within ten days (10) days after the due date shall bear interest from the due date at the rate of 18% per annum or at such rate as the Board may from time to time establish provided, however, that the Association in no way establishes a rate in violation of the law of the State of Florida. The Board may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien



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against the property. A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing, waiving, or otherwise impairing the Associations' lien or its priority. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

h. **Subordination of the Lien to Mortgages.** The lien of the Assessments provided for herein shall be subordinate to the lien of the first Mortgage. Sale or transfer of any Lot shall not affect an Assessment lien, except the sale or transfer of any Lot pursuant to the foreclosure of a first Mortgage or any proceeding conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which became due prior to such sale or transfer, without prejudice however, to the Association's right to collect such amounts from the Owner personally liable for their payment. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Any encumbrancer holding a lien on a Lot may pay, but is not required to pay, any amount secured by the lien created by this Article; and such encumbrancer then will subrogate to all rights of the Association with respect to such lien, including priority, to the extent of such payment.

5. **VOTING** The Association shall have two (2) classes of voting Members as described in Article VI. Voting Rights of the Articles of Incorporation, defined as Class A and Class B. Until conveyance ("turnover"), the Class B Member shall be the Developer and shall be entitled to the sole right to vote in Association matters.

Any Class A voting Member who is delinquent in the payment of any charges duly levied by the Association against the Lot shall not be entitled to vote until all such charges together with such reasonable penalties as the Board of Directors of the Association may impose have been paid. Members may vote by proxy.

6. **POWERS** The Association shall have such general powers as are necessary to perform the obligations and duties set out in the Declaration, including, but not limited to the power to buy and convey real property, enter into contracts, adopt rules and regulations for the general well being of the Subdivision, penalize delinquent Members, obtain and maintain such policies of insurance as required by these Covenants and Restrictions and such other policies as the Board deems necessary and desirable for the protection of the Association and its officers and Members. The Association may maintain a working capital and contingency fund and pay for maintenance, taxes and other obligations of the Association and may segregate funds to maintain reserve, trust or escrow accounts for the Members to accumulate and preserve funds for anticipated improvements.

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7. **ANNUAL MEETING** The annual meeting of the Association shall be the last Monday in January. Written notice of the Annual Meeting shall be sent to all Members not less than thirty (30) days in advance. In addition, written notice of any meeting called for the purpose of taking action authorized to increase the Annual Assessment shall be sent to all Members authorized to vote in accordance with Article VI. Voting Rights, of the Articles of Incorporation.
8. **ENFORCEMENT.** If the Owner of any Lot in the Subdivision covered hereby or his, hers or its heirs, personal representatives, successors or assigns, shall violate any of the Covenants and Restrictions herein, any person or persons owning any of the other Lots in said Subdivision, may prosecute any proceedings at law or in equity against the person or persons or corporation violating or attempting to violate any such Covenants and Restrictions for the enforcement of these Covenants, whether such proceeding is to prevent such persons from doing so or to recover damages, and if such person is found in the proceedings to be in violation or of attempting to violate these Restrictions, he shall bear all expenses of the litigation, including court costs, and reasonable attorney's fees (including those incurred on appeal) incurred by the party enforcing these Restrictions. The Association shall not be obligated to enforce these Regulations and shall not in any way or manner be held liable or responsible for any violation of these Restrictions by any person other than themselves. Failure by the Association or any other person or entity to enforce any provision of the Restrictions upon breach thereof, however long continued, shall in no event be deemed a waiver of the right to do so thereafter with respect to such breach or as to similar breach occurring prior to subsequent thereto. Issuance of a building permit or license, which may be in conflict with these Restrictions, shall not prevent the Association or any of the Lot Owners in the Subdivision from enforcing these Restrictions.

In addition to the above rights, the Association and the Architectural Committee shall have a Right of Abatement if the Owner fails to take reasonable steps to remedy any violation or breach within thirty (30) days after written notice sent by certified mail. A Right of Abatement, as used in this Section means the right of the Association or Architectural Committee, through its agents, to enter at all reasonable times upon any Lot or Structure, as to which a violation, breach or other condition specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach, or other condition which may exist thereon contrary to the provisions hereof, without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions; provided, such entry and such actions are carried out in accordance with the provisions of these Declarations. The cost thereof including the costs of collection and reasonable attorneys' fees, and paralegal fees (together with any applicable sales or use tax thereon) together with interest at eighteen (18%) per annum, shall be a binding personal obligation of such Owner, enforceable at law, and shall be a lien on such Owner's Lot enforceable as provided herein.

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9. **DURATION AND MODIFICATION.** These Covenants and Restrictions are to run with the Land, regardless of whether or not they are specifically mentioned in any deed of conveyances of Lots in the Subdivision subsequently executed and shall be binding on all parties and all persons claiming under such deeds for a period of thirty (30) years from the date these Covenants and Restrictions are recorded, at which time these Covenants and Restrictions shall automatically extend for two (2) successive periods of ten (10) years each, unless prior to the commencement of any ten-year period an instrument in writing signed by two-thirds majority of the Owners of Lots in the Subdivision has been recorded in the public records of Hillsborough County, Florida, which instrument may alter or rescind these Covenants and Restrictions in whole or in part.

These Declarations may be amended by an instrument signed by the duly authorized officers of the Association provided such amendment has been approved by the Members entitled to vote, by a two-thirds (2/3) majority of the total votes, at any regular or special meeting of the Members duly called or convened. Any amendment, to be effective, must be recorded. Notwithstanding anything herein to the contrary, so long as the Developer, Nicholas-Dishmon Enterprises, Inc. (even after an assignment of Developer status to another) or the Developer shall own any Lot, no amendment shall diminish, discontinue, or in any way adversely affect the rights of Nicholas-Dishmon Enterprises, Inc. (even after assignment of Developer status to another).

Notwithstanding any provision of this Declaration (and this Section) to the contrary, the Developer hereby reserves and shall have the right to amend this Declaration, from time to time, for a period of two (2) years from its recording to make such changes, modifications, and additions therein and thereto as may be requested or required by any governmental agency or body generally or as a condition to, or in connection with such agency's or body's agreement to make purchase, accept, insure, guaranty, or otherwise approve loans secured by mortgages on Lots, provided any such amendment does not destroy or substantially alter the general plan or scheme of the development of The Shoals. Any such amendment shall be executed by the Developer and shall be effective upon its recording. No approval of the Association, Owners, or any other party shall be required. Any amendment of these documents which would affect the surface water management system, including the water management portions of the Common Area, must have the prior approval of the Southwest Florida Water Management District. If this Declaration is amended pursuant to this section, any such amendment shall not impair the priority of AmSouth Bank's first mortgage on the Property. Every purchaser or guarantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefore, thereby agrees that this Declaration may be amended as provided in this Section.

10. **LIMITATIONS OF LIABILITY** By acceptance of a deed to a Lot within

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the Property, Owner agrees that the Association and the Developer have no obligations whatsoever for providing protection to persons on the Property. Furthermore, the Owner acknowledges that the Property has a gate at the main entrance to assist in attempting to limit access to the Property to the residents therein and their invitees. Owner, acknowledges and agrees that the gate will be open during the hours for which the Developer needs access to the property for the purposes of the sale of Lots, development and maintenance of the Property or construction of homes. After the Developer notifies the Association through its Board of Directors that the Developer no longer needs such regular access, the Association will determine the hours, if any, for which the gate will be open. Owner further acknowledges and agrees that said gate does not guarantee the security of Owner's personal safety, nor that of invitees of the Owner, and/or any other person or persons within the Property, or the security of the Owner's property or that of his invitees, or any other person or persons within the Property. Owner acknowledges that the Developer and the Association have no control over said gate and Owner hereby releases the Developer and the Association from all liability related to the gates. Owner agrees that it shall be the sole and exclusive obligation of the Owner to determine and institute for themselves appropriate precautions to protect from and against trespass, criminal acts, and any other dangers to Owner's safety and the security of their property, as the gate in and of itself will not protect the Owner from or against such dangers. Owner further agrees that the Developer and the Association shall have no obligation whatsoever for providing protection to Owner of the Property from conditions existing within any public, private, or Common Areas with the Property. Owner agrees that the Developer and the Association shall not be liable for injuries or damage suffered by the Owner resulting from any failure, defect, or malfunction in the gate or equipment. Owner agrees that the Developer and the Association shall not be liable for injuries or damage suffered by the Owner resulting from any failure, defect, or malfunction of the improvements provided in the Property, including, but not limited to lighting, gas (if applicable), water, water features, Structures.

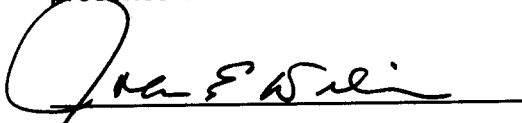
The Owner acknowledges that a video security system may be provided by the Developer, and subsequently operated and maintained by the Association. The Owner acknowledges that such system is only designed to provide a video record of activity at the main entrance, and by extension, may offer the opportunity to provide video announcement of visitors to Owners. The Owner acknowledges that such system is not intended to guarantee limited access nor the personal safety of the Owner or their property, and further releases the Developer and the Association from any liability related to the operation of the security system.

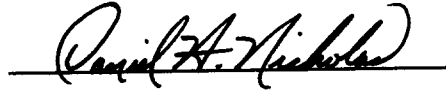
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11. **SEVERABILITY.** Each restriction is independent of the other and invalidation of any one of these Restrictions by judgment or court order shall not affect any of the other provision, which shall remain in full force and effect.

Signed, sealed and delivered in the presence of:

Nicholas-Dishmon Enterprises Inc.

  
JOHN E. DISHMON  
(Print name signed above)

  
Daniel A. Nicholas  
(as its President)

  
MARY B. DISHMON  
(Print name signed above)

State of Florida  
County of Hillsborough

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of February, 2004 by Dan Nicholas, as President of Nicholas-Dishmon Enterprises Inc.

  
Notary Public, State of Florida at Large  
My commission Expires: March 24, 2006



Lori A Clements  
My Commission DD00633  
Expires March 24, 2006

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Exhibit "A"

Articles of Incorporation of The Shoals Property Owner's Association, Inc

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ARTICLES OF INCORPORATION  
OF  
THE SHOALS PROPERTY OWNER'S ASSOCIATION, INC.  
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In compliance with the laws of the State of Florida, the undersigned do hereby voluntarily associate for the purpose of forming a corporation not-for-profit for the purposes and with powers set forth herein. All capitalized terms set forth herein, to the extent not defined herein, shall have the meanings set forth in the Declaration of Covenants and Restrictions for The Shoals recorded in Official Records Book 99, at Page 87 of the public records of Hillsborough County, Florida, as it may be modified and supplemented from time to time ("Declaration").

ARTICLE I. NAME

The name of the corporation is THE SHOALS PROPERTY OWNER'S ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II. REGISTERED AGENT AND OFFICE

The name and address of the Registered Agent of the Association is:

Dan Nicholas  
901 Academy Drive  
Brandon, Florida 33511

ARTICLE III. PRINCIPAL OFFICE

The principal office of the Association shall be located at 901 Academy Drive, Brandon, Florida 33511, but the Association may maintain offices and transact business in such places, within or without the State of Florida, as may from time to time be designated by the Board of Directors.

ARTICLE IV. PURPOSE AND POWERS

The Association does not contemplate pecuniary gain or profit to its Members. The specific purposes for which it is formed are to operate as a corporation-not-for-profit pursuant to Chapter 617, Florida Statutes and to provide for the maintenance, preservation and architectural control of all Improvements on the Property and the Common Property, all within that certain tract of land described in the Declaration ("Property"), as such is supplemented from time to time, all for the mutual advantage and benefit of the Members of this Association, who shall be the Owners of the Plots. For such purposes, the Association shall have and exercise the following authority and powers:

- A. To own and convey property.

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- B. To operate and maintain the surface water management system facilities, including all inlets, ditches, swales, culverts, water control structures, retention and detention areas, ponds, lakes, floodplain compensation areas, wetlands and any associated buffer areas, and wetland mitigation areas.
- C. To establish rules and regulations.
- D. To assess members and enforce assessments.
- E. To sue and be sued.
- F. To contract for services to provide for operation and maintenance of the surface water management system facilities if the association contemplates employing a maintenance company.
- G. To require all the lot owners, parcel owners, or unit owners to be members.
- H. To exist in perpetuity; however, the articles of incorporation shall provide that if the association is dissolved, the control or right of access to the property containing the surface water management system facilities shall be conveyed or dedicated to an appropriate governmental unit or public utility and that if not accepted, then the surface water management system facilities shall be conveyed to a non-profit corporation similar to the association.
- I. To take any other action necessary for the purposes for which the association is organized.
- J. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, as the same may be amended from time to time as therein provided, as well as in the provisions of these Articles and the Bylaws. The Declaration is incorporated herein by this reference as if set forth in detail.
- K. To fix, levy, collect and by any lawful means enforce payment of all Assessments pursuant to the terms of the Declaration, and to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association.
- L. To acquire, by gift, purchase or otherwise, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property or any improvements thereon in connection with the affairs of the Association.
- M. To borrow money and to mortgage, pledge or hypothecate any and all of the Association's real or personal property as security for money borrowed or debts incurred.



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- N. To dedicate, sell or transfer all or any part of the Common Property to any public agency, authority or utility.
- O. To participate in mergers and consolidations with other nonprofit corporations organized for the same purposes.
- P. To make, establish and amend reasonable rules and regulations governing the use of the Plots and Common Property.
- Q. To maintain, repair, replace, operate and manage the Common Property.
- R. To employ personnel, agents or independent contractors to perform the services required for the proper operation of the Common Property.
- S. To exercise architectural control over Improvements within the Property pursuant to the rights granted to the Association in the Declaration.
- T. To have and to exercise any and all powers, rights and privileges which a corporation organized under the law of the State of Florida may now or hereafter have or exercise.

All of the Association's assets and earnings shall be used exclusively for the purposes set forth herein and in accordance with Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"), and no part of the assets of this Association shall inure to the benefit of any individual Member or any other person. The Association may, however, reimburse its Members for actual expenses incurred for or on behalf of the Association, and may pay compensation in a reasonable amount to its Members for actual services rendered to the Association, as permitted by Section 528 of the Code, other applicable provisions of the Code, federal and state law. In addition, the Board of Directors shall also have the right to exercise the powers and duties set forth in the Bylaws.

ARTICLE V. MEMBERSHIP

- A. Every person or entity who is record owner of a fee or undivided fee interest in any Plot, including Nicholas-Dishmon Enterprises, Inc., a Florida corporation ("Developer") and contract sellers, shall be a Member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Plot which is subject to assessment by the Association.
- B. The transfer of the membership of any Owner shall be established by the recording in the public records of Lake County of a deed or other instrument establishing a transfer of record title to any Plots for which membership has already been established. Upon such recordation the membership interest of the transferor shall immediately terminate. Notwithstanding the foregoing, the

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Association shall not be obligated to recognize such a transfer of membership until such time as the Association receives a copy of the deed or other instrument establishing the transfer of ownership of the Plot. It shall be the responsibility and obligation of the former and new Owner of the Plot to provide such copy to the Association.

- C. The interest of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner, except as an appurtenance to the Plot owned by such Member.

ARTICLE VI. VOTING RIGHTS

- A. The Association shall have two (2) classes of voting Members, as follows:
  - 1. Class A. Class A Members shall be all Owners, with the exception of Developer while the Class B Membership exists. Class A Members shall be entitled to one vote for each Plot owned. When more than one person holds an interest in any Plot, all such persons shall be Members; however, the votes for such Plot shall be exercised as they shall determine among themselves, but in no event shall more than one vote be cast with respect to any Plot. Notwithstanding the foregoing, if title to any Plot is held by a husband and wife, either spouse may cast the vote for such Plot unless a written voting authorization is filed with the Association. When title to a Plot is in a corporation, partnership, association, trust, or other entity (with the exception of Developer), such entity shall be subject to the applicable rules and regulations contained in these Articles and the Bylaws. Builders, contractors or others who purchase a Plot for the purpose of constructing improvements thereon for resale shall not be deemed to be Class A Members.

Until Turnover, the Class B Member shall have the sole voting rights. After Turnover, the Class A Members may vote for the Board of Directors and to approve or disapprove Major Amendments and Minor Amendments, as hereinafter provided. After Turnover, the Developer shall be a Class A Member with respect to the Plots which it owns, and shall have all the rights and obligations of the Class A Members, except that it may not cast its votes for the purpose of reacquiring control of the Association or selecting the majority of the members of the Board.

- 2. Class B. The Class B Member shall be Developer and shall be entitled to the sole right to vote in Association matters until the occurrence of the earlier of the following events ("Turnover"):
  - a. Three (3) months after ninety percent (90%) of the Plots in the Property that will ultimately be operated by the Association have been conveyed to Class A Members.

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b. Such earlier date as Developer, in its sole discretion, may determine in writing.

B. Major Amendments. After Turnover, the Members of the Association are specifically required to approve the following amendments or changes by the approval of a majority of all votes in the Association:

1. Amendments of the Declaration.
2. Amendments of the Articles.
3. Dissolution of the Association.

The foregoing amendments or changes are hereinafter referred to as "Major Amendments."

In order to approve any of the foregoing Major Amendments, such amendment or change must first be approved by a majority of the Board of Directors. The Board shall then cause the secretary to give notice of a meeting to be held no sooner than thirty (30) days after the notice, which notice shall state the time, date and place of the meeting and shall state the proposed Major Amendments. The notice shall also enclose a proxy designation and a written ballot form. Each Member may cast its votes prior to the meeting or may designate a proxy to cast its votes prior to or at the meeting.

The proposed Major Amendment shall be deemed approved if a majority of all votes of all Members entitled to vote approve the proposed Major Amendment. If a majority of votes is not obtained either approving or disapproving the Major Amendment, then the Board may, but is not required to send a notice requesting all Members who did not vote to cast their ballot approving or disapproving the Major Amendment and unless the Association receives a majority of all votes approving the Major Amendment within thirty (30) days of the meeting, the Major Amendment shall be deemed disapproved. In the event that a proposal is made to amend a Supplemental Declaration which encumbers only specific property and does not affect the rights or obligations of Owners not subject to such Supplemental Declaration, then an amendment to such Supplemental Declaration shall be made if approved by the majority of all the votes of Members subject to such Supplemental Declaration.

C. Minor Amendments. After Turnover the Members are required to approve the following actions or amendments by a majority of all votes cast, whether in person or by proxy:

1. Increases in Assessments in excess of fifteen percent (15%) in any one year.
2. Levying of Special Assessments.

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3. Merger or consolidation of the Association.
4. Dedication or conveyance of Common Property (excluding the grant of an easement, license or use right for a utility, or other public purpose which may be granted upon approval of the Board of Directors.)
5. Change in use of reserves.

The foregoing amendments or charges are hereinafter collectively referred to as "Minor Amendments."

In order to approve any of the foregoing Minor Amendments, such Minor Amendments must first be approved by a majority of the Board of Directors. The Board shall then cause the secretary to give notice of a meeting to be held no sooner than thirty (30) days after the notice, which notice shall state the proposed Minor Amendment. The notice shall also enclose a proxy designation and a written ballot form. Each Member may cast its votes prior to or at the meeting or may designate a proxy to cast its votes prior to or at the meeting.

The Minor Amendment shall be approved or disapproved by the majority of votes cast at or before the meeting, in person, by proxy or written ballot, provided that there are at least thirty percent (30%) of the votes cast in person, by proxy, or by written ballot.

- D. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Proxies shall be dated, state the date, time, and place of the meeting for which it was given and be signed by the person authorized to give the proxy. A proxy may permit the holder to appoint in writing a substitute holder. Any proxy shall be effective only for the specific meeting for which originally given and any lawfully adjourned meetings thereof. A proxy is not valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. A proxy is revocable at any time at the pleasure of the Member who executes it. Proxies need not be notarized.
- E. Waiver and Consent. Whenever the vote of Members at a meeting is required or permitted, the meeting and vote may be dispensed with if the applicable percentage of the Members who would have been required to vote upon the action if such meeting were held, shall consent in writing to such action being taken. Any such consent shall be distributed in accordance with the rules and regulations adopted by the Board of Directors and an executed copy shall be placed in the minute book.

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F. Mergers.

1. By Developer. Developer shall have the right, but not the obligation, until Turnover, from time to time, within its sole discretion, to merge or consolidate this Association with any other property owners association.
2. By Owners. After Turnover, the Association may be merged with another association if approved as a Minor Amendment.
3. Effect. Upon a merger or consolidation of the Association with another property owners association, the Association's Common Property, rights and obligations may, by operation of law, be transferred to the surviving or consolidated association, or alternatively, the Property, rights and obligations of another property owners association may, by operation of law, be added to the Common Property, rights and obligations of the Association, as a surviving corporation pursuant to a merger. To the greatest extent practicable, the surviving or consolidated property owners association shall administer the covenants, conditions, easements and restrictions established by this Declaration within the Property, together with any surviving covenants and restrictions established upon any other properties as one scheme, but with such differences in the method or level of Assessments to be levied upon the Property and the other properties as may be appropriate, taking into account the different nature or amount of services to be rendered to the owners thereof by the surviving or consolidated association. No such merger or consolidation, however, shall affect any revocation, change, or addition to the covenants established by this Declaration, except as expressly adopted in accordance with the terms hereof.

ARTICLE VII. BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of Directors, who shall be Members of the Association, provided, however, that until Turnover, the Directors need not be Members of the Association. The number of Directors of the Association shall be not less than three (3) nor more than seven (7).

Until Turnover, the Board shall consist of Directors appointed by the Class B Member who shall serve until the Class B Member no longer has the right to appoint any Directors.

At the first annual meeting after Turnover, the Class A Members shall elect one-third (1/3) of the Directors to be elected by the Class A Members for a term of one (1) year, one-third (1/3) of the Directors to be elected by the Class A Members for a term of two (2) years and one-third (1/3) of the Directors to be elected by the Class A Members for a term of three (3) years (should the membership of the Board not be divisible by three, then the classes of directors should be made as nearly equal as possible); at each annual meeting thereafter, the Members shall elect the Directors to be elected by the Class A Members for terms of three (3) years. Provided however, for so long as the Class B Member has the right to appoint the minority of the

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Directors or at least one Director, the Class B Member shall appoint and replace such persons at its sole discretion. Any vacancy on the Board of Directors which is not subject to appointment by the Class B Member shall be filled for the unexpired term of the vacated office by the remaining Directors.

ARTICLE VIII. TERM OF EXISTENCE

This corporation shall have perpetual existence unless sooner dissolved in accordance with the provisions herein contained or in accordance with the laws of the State of Florida. The date on which corporate existence shall begin is the date on which these Articles of Incorporation are filed with the Secretary of State of the State of Florida.

ARTICLE IX. DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the votes of each class of Members entitled to be cast in accordance with the provisions of the Declaration. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association as created, or for the general welfare of the residents of the county in which the Property is located. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to similar purposes. Notwithstanding the foregoing, in the event of termination, dissolution or final liquidation of the Association, the responsibility of the Stormwater Management System shall be transferred to and accepted by an entity which will comply with Section 40C-42.027, F.A.C., and be approved by SWFWMD prior to such termination, dissolution or liquidation.

ARTICLE X. OFFICERS

Subject to the direction of the Board of Directors, the affairs of this Association shall be administered by its officers, as designated in the Bylaws of this Association. Said officers shall be elected annually by the Board of Directors.

ARTICLE XI. BYLAWS

The Bylaws of this Association shall be adopted by the first Board of Directors, which Bylaws may be altered, amended, modified or appealed in the manner set forth in the Bylaws.

ARTICLE XII. AMENDMENTS

Until Turnover, Developer reserves the exclusive right to amend or repeal any of the provisions of these Articles of Incorporation or any amendments hereto without the consent of any Class A Member or Mortgagee. Thereafter, the Association shall have the right to amend or repeal any of the provisions contained in these Articles or any amendments hereto, provided, however, that any such amendment shall require the assent of Members holding seventy-five percent (75%) of the votes and provided, further, that no amendment shall conflict with any provisions of the Declaration. After Turnover, the consent of any Mortgagees shall be required

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for any amendment to these Articles which impairs the rights, priorities, remedies or interest of such Mortgagees, and such consent shall be obtained in accordance with the terms and conditions, and subject to the time limitations, set forth in the Declaration. Amendments to these Articles need only be filed with the Secretary of State and do not need to be recorded in the public records of the County.

ARTICLE XIII. INDEMNIFICATION

This Association shall indemnify any and all of its directors, officers, employees or agents, or former directors permitted by law. Said indemnification shall include, but not be limited to, the expenses, including the cost of any judgments, fines, settlements and counsel's fees, actually and necessarily paid or incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, and any appeals thereof, to which any such person or his legal representative may be made a party or may be threatened to be made a party by reason of his being or having been a director, officer, employee or agent, as herein provided. The foregoing right of indemnification shall not be inclusive of any other rights to which any such person may be entitled as a matter of law or which he may be lawfully granted. It shall be the obligation of the Association to obtain and keep in force a policy of officers' and directors' liability insurance.

ARTICLE XIV. FHA/VA PROVISIONS

Until Turnover, the annexation of additional properties, the mortgaging of any part of the Common Property, any amendment to these Articles of Incorporation, the merger or consolidation of the Association with other property owners associations, and the dissolution of the Association shall require the prior written approval of the Federal Home Administration ("FHA") or the Veterans Administration ("VA") in accordance with the regulations of the U.S. Department of Housing and Urban Development, if the FHA or VA is the insurer of any Mortgage encumbering any Plot within the Property.

ARTICLE XV. INCORPORATOR

The name and address of the Incorporator of the corporation is:

Dan Nicholas  
901 Academy Drive  
Brandon, Florida 33511

IN WITNESS WHEREOF, for the purpose of forming this Association under the laws of the State of Florida, the undersigned has executed these Articles of Incorporation this 27 day of October, 2003.

Incorporator:

  
\_\_\_\_\_  
Dan Nicholas

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THIS IS NOT A  
CERTIFIED COPY

**CERTIFICATE OF DESIGNATION OF PLACE OF BUSINESS  
OR DOMICILE FOR THE SERVICE OF PROCESS WITHIN FLORIDA,  
NAMING AGENT UPON WHOM PROCESS MAY BE SERVED**

In compliance with Section 48.091, Florida Statutes, the following is submitted:

The Shoals Property Owners Association, Inc., desiring to organize or qualify under the laws of the State of Florida, with its principal place of business in the County of Hillsborough, State of Florida, has named Dan Nicholas whose address is 901 Academy Drive, Brandon, Florida 33511, as its agent to accept service of process within Florida.

  
\_\_\_\_\_  
Dan Nicholas, Incorporator

Date: 10/23/03

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Having been named to accept service of process for the above stated corporation, at the place designated in the certificate, I agree to act in this capacity and I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties.

  
\_\_\_\_\_  
Dan Nicholas

Date: 10/23/03

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